

MEMORANDUM OF ASSOCIATION
OF THE
QUEEN CHARLOTTE COAL MINING COMPANY
LIMITED.

1. The name of the Company is the "Queen Charlotte Coal Mining Company."

2. The Registered Office of the Company is in New Westminster, British Columbia.

3. The object for which the Company is established is mining on seams of Coal, and any mineral on land to be leased or granted, on Queen Charlotte Island, as soon as the position of the seams of Coal shall be ascertained; the erection of smelting works and sawmills; boring and working for coal oil; and trading generally on the said grant or lease. The liability of the Company is limited.

4. The Capital of the Company is Fifteen Thousand Pounds, in Seven Thousand Five Hundred Shares at Two Pounds each.

We the undersigned persons whose names and addresses are subscribed are desirous of being formed into a company in pursuance of this Memorandum of Association, and we respectfully agree to take the number of shares in the capital of the company set opposite our respective names.

NO. OF SHARES. | NAME OF SHAREHOLDER. | PLACE OF ABODE. | WITNESS.

On the 14th October, 1865, the capital was increased by a unanimous vote as follows:—Seven thousand five hundred shares at two pounds each.

*£15000 1865?
7500 sh. of £2 each.*

800 A. shares £1 paid up.

TABLE B.

AS APPLICABLE TO THE QUEEN CHARLOTTE COAL MINING COMPANY LIMITED.

*(From the Schedule to the Joint Stock Companies Act, 1856, 19 and
20 Vict., Cap. 47.)*

Regulations for Management of the Company.

SHARES.

1. No person shall be deemed to have accepted any share in the company unless he has testified his acceptance thereof, by writing under his hand, in such form as the company from time to time directs.

2. The company may from time to time make such calls upon the shareholders in respect to all monies unpaid on their shares as they think fit, provided that ten days' notice at least is given of each call, and each shareholder shall be liable to pay the amount of calls so made to the persons and at the times and places appointed by the company.

3. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed.

4. If before, or on the day appointed for payment, any shareholder does not pay the amount of any call to which he is liable, then such shareholder shall be liable to pay interest for the same at the rate of three per cent. per month from the day appointed for the payment thereof to the time of the actual payment.

5. The company may, if they think fit, receive from any of the shareholders, willing to advance the same, all or any part of the moneys due upon their respective shares beyond the sums actually called for; and upon the moneys so paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the company may pay interest at such rate as the shareholder paying such sum in advance and the company agree upon.

6. If several persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividend payable in respect of such share.

7. The company may decline to register any transfer of shares made by a shareholder who is indebted to them.

8. Every shareholder shall, on payment of such sum, not exceeding two shillings, as the company may prescribe, be entitled to a certificate, under the common seal of the company, specifying the share or shares held by him and the amount paid up thereon.

9. If such certificate is worn out or lost, it may be renewed on payment of such sum not exceeding two shillings as the company may prescribe.

9a. The transfer books shall be closed during the fourteen days immediately preceding the ordinary general meeting in each year.

TRANSMISSION OF SHARES.

10. The executors or administrators of a deceased shareholder shall be the only persons recognized by the company as having any title to his share.

11. Any person becoming entitled to a share in consequence of the death, bankruptcy, or insolvency of any shareholder, or in consequence of the marriage of any female shareholder, or in any way other than by transfer, may be registered as a shareholder upon such evidence being produced as may from time to time be required by the company.

12. Any person who has become entitled to a share in any way other than by transfer, may, instead of being registered himself, elect to have some person named by him registered as a holder of such share.

13. The person so becoming entitled shall testify such election by executing to his nominee a deed of transfer of such share.

14. The deed of transfer shall be presented to the company, accompanied with such evidence as they may require to prove the title of the transferor, and thereupon the company shall register the transferee as a shareholder.

FORFEITURE OF SHARES.

15. If any shareholder fails to pay any call due on the appointed day, the company may at any time thereafter during such time as the call remains unpaid serve a notice on him requiring him to pay such call, together with any interest that may have accrued by reason of such non-payment.

16. The notice shall name a further day, and a place or places, being a place or places at which calls of the company are usually made payable, on and at which such call is to be paid; it shall also state that in the event of non-payment at the time and place appointed the shares in respect of which such call was made will be liable to be forfeited.

17. If the requisitions of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may be forfeited by a resolution of the directors to that effect.

18. Any shares so forfeited shall be deemed to be the property of the company, and may be disposed of in such manner as the company thinks fit.

19. Any shareholder whose shares have been forfeited shall, notwithstanding, be liable to pay to the company all calls owing upon such shares at the time of the forfeiture.

INCREASE IN CAPITAL.

20. The company may, with the sanction of the company previously given in general meeting, increase its capital.

21. Any capital raised by the creation of new shares shall be considered as part of the original capital, and shall be subject to the same provisions in all respects, whether with reference to the payment of calls, or the forfeiture of shares on non-payment of calls, or otherwise, as if it had been part of the original capital.

GENERAL MEETINGS.

22. The first general meeting shall be held at such time, not being more than twelve months after the incorporation of the company, and at such place as the directors may determine.

The first ordinary meeting of the company shall be held on the third Wednesday in January, 1866, and subsequent ordinary meetings on the third Wednesday in April, July, October, and January in every year.

23. Subsequent general meetings shall be held at such time and place as may be prescribed by the company in general meeting ; and if no other time or place is prescribed, a general meeting shall be held on the first Monday in February in every year, at such place as may be determined by the directors. *

The annual meeting shall be held on the second Monday of January in every year.

24. The above-mentioned general meetings shall be called ordinary meetings ; all other general meetings shall be called extraordinary.

25. The directors may, whenever they think fit, and they shall, upon a requisition made in writing by any number of shareholders holding in the aggregate not less than one-fifth part of the shares of the company, convene an extraordinary general meeting.

26. Any requisition so made by the shareholders shall express the object of the meeting proposed to be called, and shall be left at the registered office of the company.

27. Upon the receipt of such requisition the directors shall forthwith proceed to convene a general meeting. If they do not proceed to convene the same within twenty-one days from the date of the requisition, the requisitionists, or any other shareholders holding the required number of shares, may themselves convene a meeting.

28. Seven days' notice at the least, specifying the place, the time, the hour of meeting, and the purpose for which any general meeting is to be held, shall be given by advertisement, or in such other manner, if any, as may be prescribed by the company.

29. Any shareholder may, on giving not less than three days'

previous notice, submit any resolution to a meeting beyond the matters contained in the notice given of such meeting.

30. The notice required of a shareholder shall be given by leaving a copy of the resolution at the registered office of the company.

31. No business shall be transacted at any meeting except the declaration of a dividend, unless a quorum of shareholders is present at the commencement of such business; and such quorum shall be ascertained as follows: that is to say, if the shareholders belonging to the company at the time of the meeting do not exceed ten in number, the quorum shall be five; if they exceed ten there shall be added to the above quorum one for every five additional shareholders up to fifty, and one for every ten additional shareholders after fifty, with this limitation, that no quorum shall in any case exceed forty.

32. If within one hour from the time appointed for the meeting, the required number of shareholders is not present, the meeting, if convened upon the requisition of the shareholders, shall be dissolved. In any other case it shall stand adjourned to the following day, at the same time and place; and if at such adjourned meeting, the required number of shareholders is not present, it shall be adjourned *sine die*.

33. The chairman (if any) of the board of directors, shall preside as chairman at every meeting of the company.

34. If there is no such chairman, or if at any meeting he is not present at the time of holding the same, the shareholders present shall choose some one of their number to be chairman of such meeting.

35. The chairman may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at an adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

36. At any general meeting, unless a poll is demanded by at least five shareholders, a declaration by the chairman that a resolution has been carried, and an entry to that effect in the book of proceedings of the company, shall be sufficient evidence of the fact, without proof of the number or proportion of the votes recorded in favor of or against such resolution.

37. If a poll is demanded in manner aforesaid, the same shall be taken in such manner as the chairman directs, and the result of such poll shall be deemed to be the resolution of the company in general meeting.

VOTES OF SHAREHOLDERS.

38. Each shareholder shall have one vote for every share he holds.

39. If any shareholder is a lunatic or idiot, he may vote by his committee, *curator bonis*, or other legal curator; and if any shareholder is a minor, he may vote by his guardian, tutor, or curator, or any one of his guardians, tutors, or curators, if more than one.

40. If one or more persons are jointly entitled to a share or shares,

the person whose name stands first in the register of shareholders, as one of the holders of such share or shares, and no other, shall be entitled to vote in respect of the same.

41. No shareholder shall be entitled to vote at any meeting unless all calls due from him have been paid, ~~until he shall have been possessed of his shares three days.~~

42. Votes may be given either personally or by proxies. A proxy shall be appointed in writing under the hand of the appointer, or if such appointer is a corporation, under their common seal.

43. No person shall be appointed a proxy who is not a shareholder, and the instrument or mandate appointing him shall be deposited with the secretary at any time previous to the meeting at which he proposes to vote. But no instrument or mandate shall be valid after the closing of such meeting.

DIRECTORS.

44. The number of directors, and the names of the first directors, shall be determined by the subscribers of the memorandum of association.

45. Until directors are appointed, the subscribers of the memorandum of association shall, for all the purposes of this Act, be deemed to be directors.

POWERS OF DIRECTORS.

46. The business of the company shall be managed by the directors, who may exercise all such powers of the company as are not by this Act, or by the articles of association, if any, declared to be exercisable by the company in general meeting, subject nevertheless to any regulations of the articles of association, to the provisions of this Act, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the company in general meeting; but no regulation made by the company in general meeting shall invalidate any prior act of the directors which would have been valid if such regulation had not been made.

DISQUALIFICATION OF DIRECTORS.

47. The office of a director shall be vacated—

If he holds any other office or place of profit under the company;

If he becomes bankrupt or insolvent;

If he is concerned in or participates in the profits of any contract with the company;

If he participates in the profits of any work done for the company.

No shareholder shall be eligible for the office of director unless he shall hold fifty shares, and when he shall cease to hold that number he shall be disqualified to hold office any longer.

But the above rules shall be subject to the following exceptions:

That no director shall vacate his office by reason of his being a shareholder in any incorporated company which has entered into con-

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tracts with, or done any work for the company of which he is director; nevertheless, he shall not vote in respect of such contract or work ; and if he does so vote his vote shall not be counted, and he shall incur a penalty not exceeding twenty pounds.

ROTATION OF DIRECTORS.

48. At the first ordinary meeting after the incorporation of the company, the whole of the directors shall retire from office ; and at the first ordinary meeting in every subsequent year one-third of the directors for the time being, or if their number is not a multiple of three, then the number nearest to one-third, shall retire from office.

49. The one-third or other nearest number to retire during the first and second years ensuing the incorporation of the company shall, unless the directors agree among themselves, be determined by ballot. In every subsequent year, the one-third or other nearest number who have been longest in office, shall retire.

50. A retiring director shall be re-eligible.

51. The company at the general meeting at which any directors retire in manner aforesaid shall fill up the vacated offices by electing a like number of persons.

52. If at any meeting at which an election of directors ought to take place no such election is made, the meeting shall stand adjourned till the next day, at the same time and place ; and if at such adjourned meeting no election takes place, the former directors shall continue to act until new directors are appointed at the first ordinary meeting of the following year.

53. The company may from time to time in general meeting increase or reduce the number of directors, and may also determine in what rotation such increased or reduced number is to go out of office.

54. Any casual vacancy occurring in the board of directors may be filled up by the directors, but any person so chosen shall retain his office so long only as the vacating director would have retained the same if no vacancy had occurred.

PROCEEDINGS OF DIRECTORS.

55. The directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit, and determine the quorum necessary for the transaction of business. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman, in addition to his original vote, shall have a casting vote. A director may at any time summon a meeting of the directors.

56. The directors may elect a chairman of their meetings, and determine the period for which he is to hold office ; but if no such chairman is elected, or if at any meeting the chairman is not present at the time appointed for holding the same, the directors present shall choose some one of their number to be chairman of such meeting.

57. The directors may delegate any of their powers to committees consisting of such member or members of their body as they think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed upon them by the directors.

58. A committee may elect a chairman of their meetings. If no such chairman is elected, or if he is not present at the time appointed for holding the same, the members present shall choose one of their number to be chairman of such meeting.

59. A committee may meet and adjourn as they think proper. Questions at any meeting shall be determined by a majority of votes of the members present; and in case of an equal division of votes the chairman shall have a casting vote.

60. All acts done by any meeting of the directors, or of a committee of directors, or by any person acting as a director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director.

61. The directors shall cause minutes to be made in books provided for the purpose—

- (1.) Of all appointments of officers made by the directors;
- (2.) Of the names of the directors present at each meeting of directors and committees of directors;
- (3.) Of all orders made by the directors and committees of directors, and
- (4.) Of all resolutions and proceedings of meetings of the company and of the directors and committees of directors.

And any such minute as aforesaid, if signed by any person purporting to be the chairman of any meeting of directors or committee of directors shall be receivable in evidence without any further proof.

62. The company in general meeting may, by a special resolution, remove any director before the expiration of his period of office, and appoint another qualified person in his stead. The person so appointed shall hold office during such time only as the director in whose place he was appointed would have held the same if he had not been removed.

DIVIDENDS.

63. The directors may, with the sanction of the company in general meeting, declare a dividend to be paid to the shareholders in proportion to their shares.

64. No dividend shall be payable except out of the profits arising from the business of the company.

65. The directors may, before recommending any dividend, set aside out of the profits of the company such sum as they think proper

as a reserved fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining the works connected with the business of the company, or any part thereof; and the directors may invest the sum so set apart as a reserved fund upon such securities as they with the sanction of the company may select.

66. The directors may deduct from the dividends payable to any shareholder all such sums of money as may be due from him to the company on account of calls or otherwise.

67. Notice of any dividend that may have been declared shall be given to each shareholder, or sent by post or otherwise to his registered place of abode; and all dividends unclaimed for three years after having been declared may be forfeited by the directors for the benefit of the company.

68. No dividend shall bear interest against the company.

ACCOUNTS.

69. The directors shall cause true accounts to be kept—

Of the stock in trade of the company;

Of the sums of money received and expended by the company, and the matter in respect of which such receipt and expenditure takes place, and

Of the credits and liabilities of the company.

Such accounts shall be kept upon the principle of double-entry, in a cash-book, journal, and ledger. The books of account shall be kept at the principal office of the company, and subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed by the company in general meeting, shall be open to the inspection of the shareholders during the hours of business.

70. Once at the least in every year the directors shall lay before the company in general meeting a statement of the income and expenditure for the past year, made up to a date not more than three months before such meeting.

71. The statement so made shall show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expense of the establishment, salaries and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting; and in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

72. A balance sheet shall be made out in every year, and laid before the general meeting of the company, and such balance sheet shall contain a summary of the property and liabilities of the company,

arranged under the heads appearing in the form annexed to this table, or as near thereto as circumstances admit.

73. A printed copy of such balance sheet shall, seven days previously to such meeting, be delivered at or sent by post to the registered address of every shareholder.

AUDIT.

74. The accounts of the company shall be examined and the correctness of the balance sheet ascertained by one or more auditor or auditors to be elected by the company in general meeting.

75. If not more than one auditor is appointed, all the provisions herein contained relating to auditors shall apply to him.

76. The auditors need not be shareholders in the company. No person is eligible as an auditor who is interested otherwise than as a shareholder in any transaction of the company, and no director or other officer of the company is eligible during his continuance in office.

77. The election of auditors shall be made by the company at their ordinary meeting, or, if there are more than one, at their first ordinary meeting in each year.

78. The remuneration of the auditors shall be fixed by the company at the time of their election.

79. Any auditor shall be re-eligible on his quitting office.

80. If any casual vacancy occurs in the office of auditor, the directors shall forthwith call an extraordinary general meeting for the purpose of supplying the same.

81. If no election of auditors is made in manner aforesaid, the Board of Trade may, on the application of one-fifth in number of the shareholders of the company, appoint an auditor for the current year, and fix the remuneration to be paid to him by the company for his services.

82. Every auditor shall be supplied with a copy of the balance sheet, and it shall be his duty to examine the same, with the accounts and vouchers relating thereto.

83. Every auditor shall have a list delivered to him of all books kept by the company, and he shall at all reasonable times have access to the books and accounts of the company; he may, at the expense of the company, employ accountants or other persons to assist him in investigating such accounts, and he may, in relation to such accounts, examine the directors or any other officer of the company.

84. The auditors shall make a report to the shareholders upon the balance sheet and accounts, and in every such report they shall state whether in their opinion the balance sheet is a full and fair balance sheet, containing the particulars required by these regulations, and properly drawn up so as to exhibit a true and correct view of the state of the company's affairs; and in case they have called for explanations or information from the directors, whether such explanations or information have been given by the directors, and whether

they have been satisfactory ; and such report shall be read, together with the report of the directors, at the ordinary meeting.

POWERS OF ATTORNEY.

The holder of a power of attorney from any registered shareholder may (if such power of attorney authorizes him to act in the matter of shares generally on behalf of the person giving the same) do every act which under the provisions hereof the person giving such power of attorney might do in person.

Every attorney holding a power enabling him to act in the matter of shares generally on behalf of the person giving the same shall leave a copy of the same at the company's office in Victoria, V. I., and such power shall be entered by the secretary of the company in the books of the company, and upon such registration all notices required to be given to the shareholder giving such power shall be given to the attorney in such power named, until such power shall have been revoked, and notice of such revocation shall have been given to the company, or until such attorney shall have died or left the colony for the space of one month, and the fee for entering such power shall be one shilling.

NOTICES.

85. Notices requiring to be served by the company upon a shareholder (if no power of attorney shall have been previously entered upon the books of the company as aforesaid) may be served either personally, or by leaving the same, or sending them through the post in a letter addressed to the shareholders at their registered place of abode.

86. All notices directed to be given to the shareholders shall, with respect to any share to which persons are jointly entitled, be given to whichever of the said persons is named first in the register of shareholders ; and notice so given shall be sufficient notice to all the proprietors of such shares.

87. All notices required by this Act to be given by advertisement, shall be advertised in a newspaper circulating in the district in which the registered office of the company is situate.

All contracts, whether written or by parole, and all promissory notes, drafts, acceptances, and bills of exchange, shall be made, signed, accepted or endorsed only by the expressly authorized officers of the company.

On the 13th September, 1865, the following articles were made by special resolution, and carried unanimously on the 14th October, 1865:

1. That the seven thousand five hundred original shares shall from this date be considered as paid up to £1 (one pound) each.

2. That of the new stock now created the directors shall not issue more than three thousand shares except by resolution in general meeting, and such shares shall be charged at the rate of ten shillings each upon application, and ten shillings each upon allotment or within thirty days, after which they shall be subject to the same assessment as A shares.

3. That the original shares shall be classed A shares, and the three thousand now authorized to be sold shall be classed B shares and the residue of the shares of the new issue as C shares.

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